



City of Santa Barbara
Airport Department

DATE: June 20, 2012
TO: Airport Commission
FROM: Karen Ramsdell, Airport Director
SUBJECT: Lease Agreement – Paysage, Inc.

RECOMMENDATION:

That Commission approve and authorize the Airport Director to execute a month-to-month Lease Agreement with Paysage, a California Corporation, for 1,248 square feet of Building 315, 90-A Dean Arnold Place, and 11,333 square feet of paved, fenced land at 40 David Love Place, at the Santa Barbara Airport, effective June 1, 2012, for a monthly rental of \$3,577, exclusive of utilities.

DISCUSSION:

90-A Dean Arnold Place is located south of Hollister Avenue in an Airport Facilities (AF) zone. 40 David Love Place is located north of Hollister Avenue in an Airport Industrial (AI-1) zone.

Paysage, Inc. has been an Airport tenant since March 2004, operating a commercial landscaping business. The Premises will be used for offices, dispatching and storage. The yard will be used for storage of landscaping materials, vehicles, and equipment. Four employees will work in the office. The uses conform to existing zoning.

Paysage entered into a five-year lease agreement June 1, 2007. Over the course of the term the required annual rental increases raised the rent to \$1.18 per square foot for the building space, above other similar buildings in similar condition and other tenants in the building. Paysage requested an adjustment to market rate as part of the lease negotiations. Staff proposed a reduction of building rent to market, but maintained the yard rent, as it is at market. The proposed new rental represents a 5.6% reduction in rent from \$3790 to \$3577.

The proposed monthly rental is based on a combined use rate of \$1.05 per square foot for the office space \$.20 per square foot for the yard space. The rates are comparable to other buildings on the Airport for similar use and in similar condition. Paysage, Inc. will also pay monthly utility charges of \$74.61 or metered amount, whichever is greater, for water, \$37.22 for sewer service and \$50 for gas.

The proposed Lease Agreement has been negotiated based upon the criteria set forth in Resolution 93-127, and has been reviewed and determined to be exempt from environmental review.

PREPARED BY: Business & Property Division

ATTACHMENT: Map